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SUBJECT: UN REFORM: JUSCKANZ AMBASSADORS DISCUSS STRATEGY TO ACHIEVE TANGIBLE PROGRESS ON MANDATE REVIEW, MANAGEMENT REFORM BY JUNE 30

REF: STATE 83998

SUMMARY: Ambassador Bolton convened a meeting of JUSCKANZ ambassadors (Note: South Korea recently joined JUSCKANZ discussions) the afternoon of May 23 to coordinate a strategy aimed at achieving meaningful results on mandate review and UN management reform before the \$950 million spending authority approved by the General Assembly in late December 2005 expires on/about June 30. Anticipating that Non-Aligned Movement (NAM) ministers, meeting in Malaysia May 27-30, would likely adopt a common position seeking immediate lifting of the "cap" on UN spending (reftel), Bolton said JUSCKANZ members, coordinating closely with EU and other like-minded states, needed to present a unified message to members of the NAM and the Group of 77 and China (G-77) that failure to accomplish tangible progress on the reform agenda would have serious consequences, including possible USG withholding of assessed UN dues. A recently circulated UK non-paper that proposed deferring immediate action on mandates until after the budget cap was lifted was the opposite of what was needed now. JUSCKANZ ambassadors agreed to accelerate coordination efforts with their EU counterparts to finalize a common position on management reform and mandate review objectives to be achieved prior to June 30. They also discussed avenues for increased dialogue with select G-77 members, including invitation to a May 30 lunch. All agreed that with limited time remaining, close cooperation and coordination would be essential to counter the opposition of those in the NAM and G-77 who were making every effort to undermine the reform process. END SUMMARY.

TIME RUNNING OUT; SIGNIFICANT CONSEQUENCES IF GOALS ARE NOT MET

 $\underline{\ }$ 2. Ambassador Bolton opened the discussion by underscoring the need for prompt action if tangible results on management reform, and more importantly, mandate review, were to be achieved before current UN spending authority expired in mid to late June. With NAM ministers scheduled to meet in Malaysia May 27-30, some type of NAM/G-77 initiative seeking to lift the UN spending cap was quite likely to follow. Bolton expressed frustration, echoed by other JUSCKANZ ambassadors, over difficulties coordinating a common position with EU members. A UK non-paper, circulated May 18 by UK PermRep Jones Parry, that proposed possible elements of reform for use in reaching consensus by June 30, seemed to suggest the granting of additional UN spending authority in the absence of meaningful progress on the mandate review. Bolton said the reverse approach was needed: achieve tangible results now in consolidating overlapping mandates and terminating those deemed no longer necessary, then Oprove additional spending authority. Underscoring that "we need concrete results," Bolton said JUSCKANZ members should deliver a clear, unambiguous message to those NAM and G-77

states who were delaying the reform agenda, emphasizing that their actions would have significant consequences. If expected reforms have not been achieved by June 30, Bolton said the USG will face some difficult choices: do nothing, wait for possible Congressional action limiting future U.S. assessed payments to the UN, or consider a pre-emptive decision to withhold U.S. contributions pending progress on reform.

PROPOSED JUSCKANZ STRATEGY

- 13. JUSCKANZ ambassadors agreed on a number of steps to accelerate progress in achieving tangible results on the reform agenda, including:
- -- increased JUSCKANZ efforts to establish a common position with EU members on management reform and mandate review objectives to be achieved by June 30;
- -- New Zealand PermRep to consult with the Austrian PermRep about setting up a JUSCKANZ-EU meeting;
- -- South Korea to invite JUSCKANZ and all 25 EU members to a May 30 lunch; and,
- -- calls by JUSCKANZ members to select members of the NAM and G-77 to pursue possible avenues for compromise and progress on the reform agenda.

BOLTON